

[REDACTED]

CERTIFIED MAIL

[REDACTED]

08 MAY 1985

Gentlemen:

We have considered your application for exemption from Federal income tax under the provisions of Section 501(a) and as an organization described in Section 501(c)(4) of the Internal Revenue Code.

Section 501(c)(4) of the Code exempts organizations "...not organized for profit but operated exclusively for the promotion of social welfare..."

Section 1.501(c)(4)-1(a)(2)(i) of the Income Tax Regulations describes a social welfare organization as one that is "...operated primarily for the purpose of...civic betterments and social improvements."

Revenue Ruling 74-17, 1974-1 C.B. 131 has held that by virtue of the essential nature and structure of a condominium system and by the maintenance and care of the common elements, such activities constitutes the provision of private benefits for the unit owners. The ruling also held that a condominium association cannot be said to be operated exclusively for the promotion of social welfare.

Your organization is organized and operated to provide for maintenance, preservation and control of the common elements located within [REDACTED]. Since your organization is of the type noted in the above Ruling, your organization is not organized exclusively for the promotion of social welfare and is operating for the primary interests of your unit owners and as such constitutes the provision of private benefits to your members.


Accordingly, your organization is not qualified for exemption under Code Section 501(c)(4) and is not qualified for exemption under any other related paragraph of Section 501(c).

You are required to file Federal income tax returns on Form 1120 (or other appropriate form) within two and one-half months following the end of your annual accounting period.

Publication 892, which accompanies this letter, describes your appeal rights fully should you decide to appeal this determination.

If we do not hear from you within 30 days of the date of this letter, this will become our final determination on the matter.

Sincerely yours,

  
District Director

Enclosure:  
Publication 892

